

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE	PAGE 1 OF 1 PAGES
2. AMENDMENT/MODIFICATION NO. 0003		3. EFFECTIVE DATE 14 NOV 03		4. REQUISITION/PURCHASE REQ. NO.	
6. ISSUED BY DEFENSE SUPPLY CENTER PHILADELPHIA DIRECTORATE OF SUBSISTENCE 700 ROBBINS AVENUE PHILADELPHIA, PA 19111-5092 DSCP-HFOP/Y. DOSSA (215) 737-8020		7. ADMINISTERED BY (If other than Item 6) CODE		6. PROJECT NO. (If applicable)	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)				9A. AMENDMENT OF SOLICITATION NO. SP0300-03-R-4016  9B. DATED (SEE ITEM 11) 08 MAY 03  10A. MODIFICATION OF CONTRACT/ORDER NO.   10B. DATED (SEE ITEM 13)	
CODE		FACILITY CODE			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended.					
Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:					
(a) By completing Items 8 and 15, and returning _____ copies of the amendment. (b) By acknowledging receipt of this amendment on each copy of the offer submitted, or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided such telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.					
12. Accounting and Appropriation Data (If required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.					
<input type="checkbox"/> A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: Specify authority/ THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.					
<input checked="" type="checkbox"/> B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying of fees, appropriation data, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).					
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:					
D. OTHER (Specify type of modification and authority)					
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>ONE</u> copies to the issuing office.					
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)					
SEE ATTACHED PAGES.					
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.					
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
				YASMIN DOSSA CONTRACTING OFFICER	
15B. CONTRACTOR/OFFEROR		15C. DATE SIGNED		15B. UNITED STATES OF AMERICA	
(Signature of person authorized to sign)				BY	
NSN 7540-01-152-8070		Per FORM DLA		(Signature of Contracting Officer)	
PREVIOUS EDITION UNUSABLE				STANDARD FORM 30 (REV. 10-83) Prescribed by GSA FAR (48 CFR) 53.243	

1. Page 18 of 383, Add category 37. Concentrated Milk
2. Page 34 of 383, Paragraph 30. Performance Based Distribution Fees (PBDF), is deleted in its entirety and replaced with the following paragraph.

Paragraph 30. Performance Based Distribution Fees (PBDF):

A. The awardee under this solicitation will be expected to maintain at least a 98% fill rate for the life of the resultant contract, including any options. This solicitation incorporates provisions for "performance based distribution fees " (PBDF's). Exclusively for the purpose of administering these PBDF's, a range in which performance may fall will be used for the application of fees. The use of this range for administration should not be taken to imply any deviation to the requirement to perform at 98% or above. The PBDF structure will be based on the contractor maintaining a fill rate above 98%, inclusive. If a higher range is proposed by the awardee and accepted by the Government, that range will be incorporated into the contract and will become the basis for subsequent fill rate based fee adjustments. The vendor will be responsible to invoice at the proper, applicable, distribution fee. Adjustments can be made if it is later determined that fees were paid in error.

B. Distribution fees negotiated for each category at the time of award, will be called the "standard contract distribution fees." The actual distribution fees paid, however, have the potential to be greater or lesser based on the performance of the vendor as measured by the product fill rate. Fill rate calculation will be based on the total number of cases shipped and accepted divided by the total number of cases ordered. In no case will a fill rate for an item requirement which is in excess of 300% of the vendor's average monthly demand (surge quantities) for that item be held against the fill rate for the purpose of determining the PBDF unless a minimum of thirty days notice was given for the confirmed requirement. For example, for a load-out order, with ten days notice, on a requirement of 400% of the vendor's AMD for the item, if the vendor filled 75% of the requirement (300% of AMD,) it would be viewed as 100% filled only for the purpose of determining the PBDF.

C. Fill rates on specialty orders (items not on the prime vendor catalog) will not be held against the prime vendor for determining PBDF, although they may be included in the calculations if the vendor desires. 48 hour - surge customers are not required to be included in the fill rate calculation until the customer has been on board for 30 days, unless the vendor desires.

D. Distribution Fees Calculations:

The prime vendor is required to maintain a cumulative quarterly (running total) fill rate (total cases shipped and accepted during the quarter divided by the total number of cases ordered during the quarter) above 98% inclusive, before substitutions, for all customers. For the purpose of determining the quarterly rate, the vendor should detail at least two decimal places without rounding. For orders completed during implementation and during the first quarter of the contract, the vendor will be paid the standard contract distribution fee. The first quarter will commence on the closest Monday to the first calendar day of the first month following the completion of contract implementation. On the last day of the first quarter (the last Sunday closest to the last day of the third full calendar month following the start of the quarter), the vendor will calculate its' cumulative quarterly fill rate. This fill rate will be the basis for the next quarter's distribution fees and will be effective on the following Monday that begins the next quarter. Subsequent quarter's distribution fees will be calculated in the same manner, with the second quarter's fill rate becoming the basis for the distribution fees in the third quarter and so on. If the vendor achieves a fill rate between 98 % and 99 % inclusive, before substitutions, it will be paid the standard contract distribution fees. If the vendor achieves a fill rate of 99.1% or above, before substitutions, the standard contract distribution fees will be increased by 10%. If the vendor achieves a fill rate of 97.99% or less, the standard contract distribution fees will be decreased by 10%. However, the standard contract distribution fee will not be increased if any individual customer's weekly fill rate is less than 98% during the determining quarter. For example, a vendor supplying a 99.1% fill rate during the first quarter would not be eligible to receive the 10% increase in the standard contract distribution fee for the second quarter if even one customer's weekly fill rate supported during the first quarter is supplied at less than 98%.

E. This method will be continuously applicable to the base contract as well as options. For example: the cumulative quarterly fill rate for the last quarter of the base period will serve as the basis for the new option year's first quarter distribution prices.

F. Any premiums paid for performance in the final quarter of a contract or option that will not be renewed will be subject to recoupment if the contractor's performance during that quarter falls below a fill rate of 98%. For any bonus earned during the final performance period of the contract, the KO will authorize a one time payment based on the quantity of product actually delivered during the last quarter of the contract.

3. Page 149 of 383, second paragraph, "The Government will evaluate all offerors' proposals to determine cost or price realism. Cost or price realism will demonstrate an

offeror's understanding of the requirements of the solicitation and that the costs proposed are realistic for the performance requirements" is hereby deleted in its entirety.

4. Page 141 of 383, paragraph Schedule of Items, last two sentences are amended to read as follows:

A schedule of **50 Core Items is listed on Attachment 1** with quantity estimates. The quantities for these items represent current annual usage for the regions. Complete pricing data for those 50 items is essential. However, it should be noted that most of the individual delivery points should be expected to develop a routine demand pattern for approximately six hundred or less of the items. In the post award phase, all available quantity estimates for all the items on the schedule will be provided to the awardee. Ability to source and supply all the items on the schedule will weigh in the evaluation of offers. All of the top 50 items have been selected for more extensive price analysis. **The offeror must submit current supplier invoices for these items. Invoices should be supplied from the time period of two weeks prior to the solicitation issue date ( i.e week of January 10, 2003). Offerors that submit revised prices shall supply invoices from the time period of two weeks prior to due date of revised proposals.**